

# Constructing the World

U.S. Industry Builds it Better



The United States is the largest construction market in the world. Domestic construction activity topped \$819 billion in 2000, accounting for more than 8 percent of GDP. However, with global construction activity worth over \$3.4 trillion in 2000, a wide range of opportunities is available outside the United States to America's highly skilled and competitive design, construction, and material firms. While much work outside the United States requires joint venture operations with local partners, there is significant direct export of construction-related services as well, including specialties such as construction and project management services, engineering expertise, and specialized technology.

Despite fluctuations in economic conditions, global construction is growing for several reasons. One major factor is rapid economic development in Asia, Latin America, and Eastern Europe. Factors such as solid project finance, competitive bidding, and awareness of projects ensure that U.S. firms will have a role to play in whatever projects emerge. Types of projects available cover the full range of possibilities, from medical facilities and urban infrastructure to industrial buildings and sporting centers. While there are many opportunities in the global construction business, several real obstacles exist for U.S. firms overseas. These include difficulty in conforming to building standards, unreliable funding for projects, and opaque bidding processes and contracting procedures.

According to *Engineering News-Record (ENR)* magazine, the construction industry in 2002 entered what some have called an age of anxiety as key markets around the world began to slump significantly, terrorism became a household word in places totally unaccustomed to it, and saber rattling by some of the biggest and most heavily armed nations set the entire world on edge. Yet in good times and in bad, the global construction industry produces a prodigious amount of work.

Drivers of growth in the international construction industry include continued international development, industrialization and economic growth, private financing, privatization in emerging markets, and stabilization and openness in historically instable markets.